



MOORE COUNTY'S PURCHASING POLICY AND PROCEDURES MANUAL

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Moore County, North Carolina
Purchasing Policy and Procedures Manual

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I. INTRODUCTION AND PURPOSE

This Purchasing Policy and Procedures Manual (hereinafter referred to as “Policy”) is intended for use as a guide to the Moore County purchasing methods and practices. In the event of conflicts between any part of this Policy and the North Carolina General Statutes, the statutes shall prevail.

Moore County’s procurement practices are based on the principle of fair and open competition. In public purchasing and contracting, utmost fairness is required in expending public funds. The practice of favoritism, whether to the user, department, or to a vendor, is not permissible. All persons involved in the procurement process must work to promote and protect the basic fundamentals of the program. We are entrusted by the taxpayers to expend money in an efficient and effective manner. In doing this, the integrity of the procurement program must be maintained. Moore County's procurement operations are governed by North Carolina General Statutes, (primarily Chapter 143).

It is recommended that all employees involved in the procurement process should become thoroughly familiar with the procedures outlined in this Policy. Comments concerning this Policy or clarification of its contents should be directed to the Finance Director, County Attorney or County Manager. Any request to deviate from the self-imposed provisions of this Policy must be approved by the Finance Director, County Attorney, County Manager and Board of Commissioners.

The basic goals of the County’s purchasing program are:

1. To comply with the legal and ethical requirements of public purchasing and procurement; and
2. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the County; and
3. To receive maximum value for each dollar spent by awarding contracts to the lowest responsible, responsive bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors; and
4. To provide County departments the required goods and services at the time and place needed; and
5. To promote positive and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards; and
6. To effectively promote standardization of products used within and among departments in order to obtain better prices.

II. PROCUREMENT DOCUMENTS/TYPES

The County enters into a variety of purchase, service and construction contracts including, but not limited to, the following types: purchase of goods and services; property acquisition; construction, renovation, repair and maintenance of facilities; leasing of equipment and real property; and various agreements with other units of government.

III. GENERAL GUIDELINES FOR PURCHASING SUPPLIES AND MATERIALS

A. Local Buying:

The County wants to ensure that local vendors who have goods or services available which are needed by the County are included in the competitive purchasing process. The County has a responsibility to its residents; however, to ensure that maximum value is obtained for each public dollar spent, the County cannot and will not make purchasing decisions solely on the basis of vendor residence. Rather, the County will endeavor to encourage local vendors and suppliers to compete for all County business.

B. Planning:

Planning for purchases should be done both on a short-term and long-term basis, thereby minimizing small orders and last-minute purchases. Planning will also reduce the number of trips required to obtain materials and minimize clerical and supervisory time spent on documenting purchases.

C. Buying Proper Quality:

Quality and service are as important as price and it is the duty of the requesting department to secure the best, most economical, quality that will meet but not exceed the requirements for which the goods and/or services are intended. In some instances, the lowest price does not necessarily mean the lowest cost.

D. Uniform Guidance

Contracts funded with federal grant or loan funds must be procured in a manner that conforms with all applicable Federal laws, policies, and standards, including those under the Uniform Guidance (2 C.F.R. Part 200).

1. For federal procurement, in accordance with 2 C.F.R. § 200.320(a)(1)(iv) and the applicable provisions of North Carolina law, the County of Moore hereby self-certifies the following micro-purchase thresholds, each of which is a “higher threshold consistent with State law” under 2 C.F.R. § 200.320(a)(1)(iv)(C):
 - A. \$30,000, for the purchase of “apparatus, supplies, materials, or equipment”; and
 - B. \$30,000, for the purchase of “construction or repair work”;

and

C. 50,000, for the purchase of services not subject to competitive bidding under North Carolina law; and

D. \$50,000, for the purchase of services subject to the qualifications-based selection process in the Mini-Brooks Act; provided that such threshold shall apply to a contract only if the Unit has exercised an exemption to the Mini-Brooks Act, in writing, for a particular project pursuant to G.S. 143-64.32. If the exemption is not authorized, the micro-purchase threshold shall be \$10,000.00.

E. E-Verify

Pursuant to North Carolina General Statute 143-133.3, the County will not enter into a contract unless the contractor, and the contractor's subcontractors comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

F. Iran Divestment Certification

Pursuant to North Carolina General Statute 147-86.58, the County will not enter into a contract with a contractor or subcontractor listed on the Final Divestment List created by the State Treasurer.

G. Debarred Vendors

The County will not enter into a contract with a contractor or subcontract that is debarred or suspended from doing business in North Carolina.

IV. **PURCHASING PROCEDURES**

This section outlines the County's purchasing procedures. The procedures outlined are designed to take full advantage of a decentralized purchasing system.

A. Request to Purchase:

The County utilizes a financial software program, for the procurement process. . The Purchase Requisition initiates the procurement cycle. The Department Director/designee(s), Purchasing Manager and Finance Director must approve all requests via the financial software program approval process.

A completed requisition with appropriate approvals is required for all purchases other than those identified in Exhibit A, with the exception of purchases with a written contract.

V. **PURCHASE ORDERS**

To be valid, a Purchase Order must be completed and electronically signed by the

Finance Director and the Purchasing Manager. Purchases with written contracts must be fully executed with a pre-audit certificate to be valid.

A. The Purchase Order Process:

A purchase order is a contract between the County and a vendor and is not binding until it is fully executed by the Finance Director and Purchasing Manager. The issuance of purchase orders by unauthorized County employees or officials will not be recognized by the County and payment of these obligations will not be approved. Obtaining apparatus, supplies, materials, equipment or services without a purchase order is also an unauthorized purchase. (Except in emergency situations as outlined in Section VIII. B.) **Unauthorized purchases are classified as a personal expense and will be paid for by the employee.**

In order to properly process the vendor's invoice(s) for payment, the purchase order receiving must be keyed prior to the invoice entry. The invoice should indicate the purchase order number and the appropriate budget code and processed in the financial software program. This must be done immediately after the item(s) have been received, inspected and accepted by the using department.

B. Change Orders:

In order to change, modify, or cancel an existing purchase order, the using department must initiate a Purchase Order Change Form or other documentation with the Department Director's/designee(s) approval. All pertinent information needed to make changes should be completed. The change order shall be forwarded to the Purchasing Manager for review and approval in the financial software program. The Finance Director must approve change orders for purchases and/or contracts for which it originally awarded.

Change orders will not be allowed:

1. That would alter the procurement procedures that were used in the original process. (i.e., from informal to formal)
2. After the scope of services have been rendered or materials have been received
3. That would add new additional items to the purchase order

VI. AVAILABILITY AND TRANSFER OF BUDGETARY FUNDS

A. Policy:

It is the policy of the Moore County to require a Departmental Funds Transfer entry in the financial software program for any purchase or commitment of County funds for which there are insufficient funds available in the budgetary account against which a purchase or commitment is to be applied. Transfer of Funds is not allowed for the purpose of making it possible to spend all appropriations.

B. Authority:

The County Manager, Assistant County Manager, or designee are authorized to make certain changes among operating expenditure line items, (i.e. non-capital and/or non-personnel related items), in the budget of a department, or fund (department as defined in the annual budget ordinance adopted by the Board of Commissioners).

C. Responsibility:

Transfer of Funds must be requested by the Department Director/designee(s) and approved within the financial software program by the County Manager, Assistant County Manager, or designee, before any commitments are approved against an expenditure line item which would exceed the amount budgeted for that particular line item.

Requests should be stated in even dollar increments.

The Finance Director and Internal Auditor are expected and authorized to inquire about the appropriateness of any and all Department Transfer of Funds.

VII. SPECIAL PROCUREMENT PROCEDURES

A. Open Purchase Orders:

Department Director/designee(s) may request an open purchase order within the financial software program to selected vendors for the procurement of large volume items that are needed on a continuing basis such as landscaping supplies, janitorial supplies, tires, water treatment chemicals, etc. Open purchase orders should not be used for items that can/should be purchased with the purchasing card. Open purchase orders also follow the competitive bidding procedures, if the threshold level is \$30,000 or greater.

Requests for Open Purchase Orders must, indicate the items covered by the Open Purchase Order. It is the responsibility of the individual authorized to purchase under an Open Purchase Order to ensure that an unspent balance remains to cover the purchase to be made. **Any purchase that exceeds the funds available under an Open Purchase Order will be classified as an unauthorized purchase.**

Any purchases made by personnel not authorized by the open purchase order request will be classified as a personal expense and will be paid by the employee.

B. Emergency Purchases:

In cases of emergencies, the Department Director/designee(s) may purchase directly from any vendor, supplies or services **whose immediate procurement is essential to prevent delays in work which may affect the life, health, or either safety or convenience of the Moore County employees or citizens.**

The using department shall exercise good judgment and use established vendors when

making emergency purchases. Always obtain the best possible price and limit purchases to those items emergency related. **Not anticipating needs does not constitute an emergency situation.** First, determine if a true emergency does exist. Second, anticipate needs and avoid emergency situations whenever possible.

The following procedure should be used for emergency purchases: Contact the Purchasing Manager and give all pertinent information to obtain an emergency purchase order. The information needed will include vendor name, item(s) to be purchased, expenditure account to which the item(s) will be charged and the reason for the emergency. After verifying available funds, an emergency purchase order number will be issued for the expenditure and a purchase requisition should be entered into the financial software program so a confirming purchase order can be issued. The using department should forward the confirming purchase order to the vendor. Should the purchase order exceed available funds, a Request for Transfer of Funds entry in the financial software program will need to be completed as soon as possible.

Emergency purchases, although sometimes necessary, are costly both in time and money. The use of emergency procedures should be limited and will be monitored for abuse.

C. Purchase Order Cut-Off Date:

Purchase request (not included in open purchase orders or service contracts) for the ending current fiscal year must be entered into the financial software program no later than May 1st. Purchase requests of a routine nature that could have been scheduled prior to May 1st, and are not critical, will be rejected. Items must be received by June 30th otherwise they will be charged to the new fiscal year. This procedure affords Purchasing and Accounts Payable the opportunity to complete fiscal year end activities in a timely and proper manner.

D. Professional Services:

Normal competitive procedures cannot be utilized in securing professional services such as attorneys, planners, financial consultants/brokers, auditing, banking, consulting firms, insurance firms, and other professionals who, in keeping with the standards of their discipline, will not enter into a competitive bidding process. When an agreement between a professional service company and the County is established, a contract with a not-to-exceed amount shall be issued to satisfy accounting and statutory requirements. As with all contracts, they must be reviewed and approved by the County Attorney, the County Manager, or Board of Commissioners, or designee, and the Finance Director.

E. Petty Cash Expenditures:

A petty cash fund has been established for the purchase of expendable items costing less than \$50.00. Employees wishing to purchase items, and be reimbursed with petty cash, should obtain a petty cash form, provide a receipt for the purchase, and return the cash form to the petty cash administrator for your department.

F. Purchasing Cards:

The use of purchasing cards has been proven to be a cost-effective method of obtaining low cost supply items for the County. The purpose of this purchasing procedure is to provide for the use of purchasing cards for SMALL value or emergency purchases. For detailed information on the use of credit cards by County employees, please refer to the Procurement Card Procedures Policy. (

VIII. BASIC CONTRACT LEGAL REQUIREMENTS

North Carolina local government contracts must satisfy additional requirements as well as common law requirements.

- A.** Before the County can enter into a contract, competitive bidding statutes (when legally required) and/or County Policy must be followed.
- B.** Contracts must be for a legally authorized public purpose. For a use to be public its benefits must be in common and not for particular persons, interests or estates, and the ultimate net gain or advantage must be to the public and not an individual or private entity.
- C.** The contract must be entered into by a person or board with authority.
- D.** Every contract must have budgetary authorization.
- E.** Contracts must be executed by a person who has legal authority to bind the County. The following people in the County have authority to execute contracts:
 - 1. Chairman – No monetary limit, but requires Board approval
 - 2. County Manager/designee(s) – up to and including \$100,000
 - 3. Health Director – up to \$50,000; Health Department contracts only
 - 4. Finance Director/designee(s) – up to \$50,000 - PURCHASE ORDERS ONLY
 - 5. Department Directors – up to \$30,000; for respective departments only

F. County Seal on Contracts

Only use the County seal for real property conveyances as required by law. Placing a seal on a contract extends the period of time within which legal challenges involving the contract must be brought. Attesting, witnessing or notarizing a signature provides proof of its authenticity which is acceptable but not required.

IX. BUDGETARY REQUIREMENTS

Pursuant to the Local Government Budget and Fiscal Control Act, all contractual obligations must be supported by an appropriation that authorizes the expenditure.

Moreover, at the time the obligation is incurred, there must be an unencumbered balance remaining in the appropriation sufficient to pay the obligation owed in the current fiscal

year.

North Carolina law requires the finance officer or designee to certify that these two requirements have been met and that the finance officer signs a pre-audit certificate which must be in every contract before it is issued.

The Moore County Board of Commissioners adopted a resolution May 15, 2018 authorizing the County of Moore to engage in Electronic Payments as defined by N.C.G.S. 159-28 or N.C.G.S. 115C-441.

A contract is considered void and unenforceable if it lacks the proper appropriation and/or pre-audit certificate.

A person who incurs an obligation or pays any funds in violation of the statute is personally liable for any funds committed or disbursed.

X. COMPETITIVE BIDDING

A. Purpose

Public bidding promotes competition, reduces the risks of fraud, promotes fair play and lowers costs; therefore competition should be attempted and obtained for any contract where competition is available. It is better to actively seek competitive offers than risk a challenge to the legality of the contract or to the integrity of the process. The following State of North Carolina bidding statutes applies: G.S. 143-131 (informal bidding) and G.S. 143-129 (formal bidding).

B. Informal Bidding – G.S. 143-131

G.S. 143-131 requires informal bids when the estimated expenditure of public money is \$30,000 or more, but less than \$500,000 for construction or repair work; and \$30,000 or more, but less than \$90,000 for purchase of apparatus, supplies, materials, or equipment. The County Manager/designee(s) approves the lowest responsible, responsive bidder for all informal bids ranging from \$30,000 up to \$90,000 for purchases, and \$30,000 up to \$500,000 for construction or repair projects. If all the bids exceed the funds available, negotiations are allowed with the lowest responsible, responsive bidder, and reasonable changes can be made in the plans and specifications to bring the contract price within the funds available and then award to that bidder if the bidder is agreeable.

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Per County Policy and G.S. 143-131, quotes, bids or proposals should be received from vendors qualified to provide that product or service. Every reasonable effort should be made to receive at least three quotes, bids or proposals. If more than one quote, bid, or proposal is not received, documentation must support the efforts to obtain competitive offers. For the purpose of this Section on informal bidding, the word bid will be used to denote bids, quotes or proposals.

The informal bidding process requires that competitive pricing be obtained in writing. These requests are obtained by three or more sources who can supply the product(s) needed. Once received, and the lowest responsible, responsive bidder is determined, the Department Director/designee shall initiate the procurement approval set out in IV.A. A record must be kept of bids submitted. Records are not subject to public inspection until the contract has been awarded.

Departments are authorized to use purchase orders and invoices for purchases, construction and repair projects and services costing up to \$30,000 (unless otherwise directed). Competitive bids are not required for construction or repair work, services or purchases less than \$30,000.

Departments are authorized to use a purchasing card for items (unless otherwise directed), costing less than \$1,000. If the vendor does not accept the purchasing card, a Purchase Requisition needs to be entered in the financial software program.

Sole Source - G.S. 143-129(e)(6) and the County require governing board approval for sole source contracts equal to or in excess of \$30,000.

C. Formal Bidding

G.S. §143-129 requires formal bids for construction or repair work when the estimated expenditure of public money is equal to or greater than \$500,000; or purchase of apparatus, materials, supplies, or equipment when the estimated expenditure of public money is equal to or greater than \$90,000. Formal bids require solicitation of sealed bids and legal advertisements. For construction or repair contracts, there are special requirements as to the number of bids received, which is discussed later. The Moore County Board of Commissioners awards all formal bids.

The Purchasing Manager and Department Director are responsible for specification development. The Purchasing Manager, under the direction of the Finance Director and County Attorney, shall be responsible for ensuring that all North Carolina General Statutes are satisfied, including, but not limited to, proper advertisement (discussed later) and receipt of sealed bids.

The bid award standard is the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified in the bids for the performance of the contract. A record of all bids submitted must be maintained. All bids are subject to public inspection once opened, unless a trade secret is involved.

A Department Director shall make a formal recommendation of award to the Board of County Commissioners. Once the contract is awarded and fully executed, the encumbrance process will be initiated in the financial software program.

If all the bids exceed the funds available, negotiations are allowed with the lowest responsible, responsive bidder, and reasonable changes can be made in the plans and

specifications to bring the contract price within the funds available and then award to that bidder if the bidder is agreeable.

Formal purchase bids over \$100,000 and formal construction and repair bids at \$500,000 are awarded by the Moore County Board of Commissioners. Contracts cannot be divided to evade the rules. The Board has authorized the County Manager/designee to award and reject bids for purchases up to and including \$100,000 and for construction and repair bids up to \$500,000.

All contracts over \$100,000 require the Board of County Commissioners' approval.

D. Exceptions to the Formal Bidding Process – G.S. 143-129

If deemed to be in the public interest, competitive bidding may be waived as provided by North Carolina General Statutes. Certain exceptions allow for waiver of the bidding requirements. Some apply only to purchase contracts and others apply to both purchase contracts and construction or repair contracts. Circumstances permitting waiver and direct negotiations include, but are not limited to:

Exceptions that apply to purchase contracts only:

- a. Purchases from other governmental agencies (G.S. 143-129(e)(1))
- b. Competitive group purchasing (G.S. 143-129(e)(3))
- c. Gasoline, diesel fuel, alcohol fuel, motor oil, fuel oil or natural gas (G.S. 143-129(e)(6)) [Informal bids are required]
- d. Sole sources (G.S. 143-129(e)(6)). Requires governing board approval and specific criteria must be met.
 - i. Sole Source - G.S. 143-129(e)(6) and the County require governing board approval or sole source contracts equal to or in excess of \$30,000.
- e. Information technology goods and services purchased through the State Office of Information Technology (G.S. 143-129 (e)(7)) or using request for proposals (Procedures authorized by G.S. 143-129.8))
- f. Purchase from state contracts
- g. Used apparatus, supplies, materials or equipment (G.S. 143-129(e)(10)). Does not apply to remanufactured, prefabricated, or demo items.
- h. Piggybacking previously bid contracts. Requires governing board approval & prior 10-day notice (G.S. 143-129(g))
- i. Purchases from nonprofit work centers for the blind and severely disabled (GS 143-129.5)

Exceptions that apply to construction or repair contracts only:

- a. Change order work. (G.S. 143-129(e)(4))
- b. Construction management at risk projects (G.S. 143-129(e)(11)). Requirements of GS 143-128.1 apply to these projects.
- c. Force account work. (G.S. 143-135) Work must be performed by labor on the permanent payroll, and does not exceed \$500,000.00 for the total project cost including all direct and indirect costs of labor, materials, supplies, equipment; or the labor on the project does not exceed \$200,000.

- d. Projects using unemployment-relief labor paid for in whole or part with state or federal funds. (G.S. 143-129(d))
- e. Contracts with NC Department of Transportation for street construction and repair. (G.S. 136-41.3)

Exceptions that apply to both purchase and construction contracts:

- a. Special emergency involving the health and safety of the people or their property. (G.S. 143-129(e)(2))
- b. Guaranteed energy savings contracts. (G.S. 143-129(e)(8)) Requirements of G.S. 143-64.17 through 143-64.17G applies to these contracts.
- c. Solid waste management facilities (G.S. 143-129.2).

E. Legal Advertisements – Formal Bidding

Pursuant to G.S. 143-129(b), a local governing board may at a regular meeting authorize use of advertisement by electronic means instead of published notice. On June 7, 2010 the Moore County Board of Commissioners authorized use of advertisement by electronic means. Electronic advertisements must be placed on the County's website. Otherwise, the formal bidding process requires advertising in a newspaper of general circulation. The advertisement must appear at least one time, with at least seven full days elapsing between the day the ad appears and the bid opening date. The advertisement must state the time and place where plans and specifications may be obtained, the time and place for opening of the proposals/bids, and reserve to the governing body the right to reject any or all proposals/bids. Additional notice may be given (G.S. 143-129(b)).

F. Minority Business/Historically Underutilized Business Participation

Notice: Building projects costing \$300,000 or more:

G.S. 143-128.2 requires that a local government unit or other public or private entity that receives State appropriations for a building project or other State grant funds for a building project, including a building project done by a private entity on a facility to be leased or purchased by the local government unit, where the project cost is one hundred thousand dollars (\$100,000) or more, shall have a verifiable ten percent (10%) goal for participation by minority businesses in the total value of the work; provided, however, a local government unit may apply a different verifiable goal that was adopted prior to December 1, 2001, if the local government unit had and continues to have a sufficiently strong basis in evidence to justify the use of that goal. A verifiable percentage goal is also required for building projects costing \$300,000 or more when no state funds are involved. The Outreach Plan shall also be applicable to the selection process of architectural, engineering and construction manager at risk services.

Moore County has a current verifiable goal of ten percent (10%) for minority participation for public building projects. The overall goal will be reviewed annually, or as soon as relevant data is available.

G. Dispute Resolution

Pursuant to G.S. 143-128(f1), all disputes involving contractors on a building construction or repair project with Moore County shall be resolved pursuant to County of Moore Rules for Implementing Mediated Settlement Conferences in the Building Projects

H. Receiving and Opening Bids; Number of Bids

There are no County or statutory requirements for minimum number of bids for informal bids. There is no minimum number of bids required for formal purchase contract bids. However, every reasonable effort should be made to obtain at least three (3) bids. All formal bids must be opened in public. Bids must be sealed and opening a bid or package with knowledge that it contained a bid or disclosing the contents without the permission of the bidder prior to the time set for opening constitutes a Class 1 misdemeanor (G.S. 143- 129(b)).

Three (3) bids are required for formal construction or repair work (G.S. 143-132(a)). If at least three bids are not received, a second advertisement must be made, after which bids may be opened and a contract awarded even if less than three bids are received.

I. Bid Deposits

For formal construction, renovation and repair contracts, the bid must contain a bid deposit equal to not less than five (5) percent of the bid amount. The deposit may be in the form of cash, cashier's check, certified check or bid bond executed by a surety licensed in North Carolina. No other forms are acceptable. Bid deposits may not be waived.

J. Withdrawal of Bid

A bidder may request permission to withdraw their bid after the bids are opened, without forfeiting their bid deposit, if he/she can produce credible evidence that the bid was based on a mistake containing a substantial, unintentional arithmetic error or unintentional omission of work. Withdrawal is not allowed due to errors in judgment. The request to withdraw must be made not later than 72 hours after the bid opening. A bidder that requests that their bid be withdrawn cannot participate in the contract, even if the project is re-bid.

K. Bid Evaluation and Awarding

Award to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified in the bids for the performance of the contract. A record of all bids submitted must be maintained. All bids are subject to public inspection once opened, unless a trade secret is involved.

To ascertain the lowest responsible, responsive bidder, first, determine the lowest bidder. Then, determine the lowest responsive bidder. Bids are responsive when they substantially meet the applicable specifications and laws. The County may waive minor,

but not material deviations. A material deviation, if waived, would give the bidder an advantage or benefit over other bidders. After determining the lowest responsive bidder, determine the most responsible bidder. To determine responsibility, take into account the skill, judgment and integrity necessary to the faithful performance of the contract, as well as sufficient financial resources and ability.

For statutorily required bidding only, if all bids exceed the funds available, negotiations are allowed with the lowest responsible, responsive bidder, and reasonable changes can be made in the plans and specifications to bring the contract price within the funds available and then award to that bidder if the bidder is agreeable.

Who can award/reject bids?

- All Formal Bids.....Board of Commissioners
- Formal Bids for Purchases and Services up to and including \$100,000.....County Manager/Designees
- All Informal BidsCounty Manager/Designees
- Informal Bids - up to \$50,000Finance Director/Designees
- Informal Bids - up to \$30,000.....Department Directors

L. Performance and Payment Bonds

For construction or repair projects where the total amount of all the contracts exceed \$300,000.00, each contractor must provide performance and payment bonds for the full amount of each contract that exceeds \$50,000.00 (GS 143-129(c)). The contractor may provide cash, certified checks or government securities instead of bonds.

M. Rejection of Bids

In requesting bids/proposals, any and all offers received may be rejected in whole or in part. Basis for rejection shall include, but not be limited to:

1. The bid/proposal being deemed unsatisfactory as to quantity, quality, delivery, price or service offered.
2. The bid/proposal did not comply with the conditions of the invitation or with the intent of the proposed contract.
3. Lack of competitiveness by reason of collusion or otherwise, or knowledge that reasonably available competition was not received.
4. Errors in specifications or indication that revisions would be to the County's advantage.
5. Cancellation of or changes in the intended project or determination that the proposed requirement is no longer needed.
6. Limitation or lack of available funds.
7. Circumstances which prevent determination of the lowest responsible, responsive.
8. A determination that rejection would be in the best interest of the County.

N. Contractor Licensure

Prior to contract execution for any project owned by Moore County, a bidding contractor must furnish Moore County with appropriate documentation that indicates that the contractor is currently duly licensed to participate in construction of a project of the same value.

XI. INFORMATION TECHNOLOGY AND BIDDING

Information technology is defined in G.S. 147-33.81(2) as follows:

“Electronic data processing goods and services, telecommunications goods and services, security goods and services, microprocessors, software, information processing, office systems, any service related to the foregoing, and consulting or other services for design or redesign of information technology supporting business processes.”

G.S. 143-129.8 offers flexibility in purchasing information technology due to:

“The complex and innovative nature of information technology goods and services, and the desirability of a single point of responsibility for contracts that include combinations of purchase of goods, design, installation, training, operation, maintenance, and related services...”

Local governments may contract for information technology using the procedure set forth in G.S. 143-129.8 as an alternative to G.S. 143-129 (formal bidding) or G.S. 143-131 (informal bidding), but only when a mixture of services and purchases are involved.

However, the following requirements must be satisfied:

1. Notice of the request for proposal (RFP) shall be given in accordance with the G.S. 143-129 – the formal bidding statute.
2. Contracts are awarded to the best overall proposal considering factors identified in the RFP.

Negotiations are allowed, but should not alter the contract beyond the scope of the original RFP in a manner that:

1. Deprives the proposers or potential proposers of a fair opportunity to compete for the contract; and
2. Would have resulted in the award of the contract to someone else if the alteration had been included in the RFP.

Local governments are not obligated to use either the competitive bidding or the request for proposals procedures for contracts that consist only for **services**. Proposals submitted are not subject to public inspection until a contract is awarded. However, every effort to obtain three (3) bids, quotes or proposals should be made. Here, negotiating is allowed.

Formal or informal bidding statutes apply when the contract consists of purchases involving hardware and/or software. (You determine which statute to follow based upon monetary thresholds.) Negotiations are not allowed unless all bids come in over budget. If this is the case, negotiations are allowed with the lowest responsible, responsive bidder.

XII. REQUEST FOR QUALIFICATIONS (RFQ)

The Request for Qualifications (RFQ) is a qualifications-based selection process that applies to the following services:

1. Architectural
2. Engineering
3. Surveying
4. Construction manager-at-risk
5. Design-build Services
6. Public-Private partnership

Procedure:

1. Announce all requirements by following the formal bidding advertisement requirements.
2. Select the most qualified firm on the basis of demonstrated competence and qualification for the type of professional services required, without regard to fee other than unit price information. Follow the selection committee internal policy processes and procedures. The selection committee will determine the best qualified firm.
3. Negotiate with the best qualified firm.
4. Can move to the next best qualified firm if an agreement cannot be reached with the most qualified firm.

Exemptions to RFQ:

Pursuant to G.S. 143-64.32, a local government may exempt particular projects in writing (by Resolution) where:

1. Estimated professional fee is less than \$50,000 for proposed projects

The Moore County Board of Commissioners' exempted by a Resolution on September 1, 2015 all projects involving architectural, engineering, surveying and construction manager-at-risk services, design-build services and public-private partnership construction services where the estimated professional fee is less than \$50,000. All exceptions must be approved by the Purchasing Manager and County Manager or designee.

XIII. SERVICE CONTRACTS

Service contracts are generally distinguished from purchase contracts in that they call for personal performance or work rather than delivery of a tangible item. Contracts are required when paying for services. North Carolina law does not require bidding. However, a reasonable effort should be made to obtain three informal quotes when the estimated cost of the service is \$50,000 up to \$100,000. Use formal bidding standards when the estimated cost of the service is \$100,000 or greater. Contract negotiations are allowed. Award contracts to the lowest responsible, responsive bidder.

The steps for contract execution are:

- The County Attorney's Office must approve all contracts.
- Vendor review/sign contract
- Contract is forwarded to the Purchasing Manager for pre-audit
- Contract is executed by authorized County personnel.

Examples of service contracts:

- Janitorial services

- Recycling services
- Waste collection or disposal services

XIV. SPECIFICATIONS

When goods and/or services are procured under the informal or formal bidding process, specifications must be prepared. All specifications should do at least four things:

- a. Identify minimum requirements
- b. Encourage competitive bids
- c. Be capable of objective review
- d. Provide for an equitable award at the lowest possible cost

Specifications shall be as simple as possible while maintaining the degree of exactness required to prevent bidders from avoiding supplying the goods and/or services required or otherwise taking advantage of their competitors.

All specifications utilizing a name brand must include the term "or approved equal" to avoid being restrictive and eliminating fair competition from the bidding process. A digital pdf of the specifications required will assist the Purchasing Section in procuring the desired item(s).

XV. DELIVERY AND PERFORMANCE

A completed and accepted purchase order by the parties concerned must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements.

The importance of the delivery schedule will be emphasized to the vendor. Delivery requirements will be clearly written and fully understood by all vendors. If several items are required by the purchase order, there may be a different delivery schedule for each item. It is necessary to clearly indicate the delivery location on the Purchase Requisition.

A. Partial Deliveries:

Some purchase orders may list several items and the vendor may fulfill the purchase order by multiple deliveries, which are referred to as "partial deliveries". Upon receipt of a (partial) delivery, enter partial receiving record and complete invoice process in the financial software program. .

B. Non-performance:

If a vendor fails to meet any requirement(s) of the specifications or terms and conditions of the contract or purchase order, the vendor can be cited for non-performance. The seriousness of non-performance will be evaluated based upon the circumstances of each

violation.

XVI. INSPECTION AND TESTING

Life and safety as well as successful operation of expensive equipment and supplies may depend upon how well a purchased item meets the design and performance specifications.

Goods and materials should be checked at the time of receipt for damage or defects. The inspection shall include assuring goods comply with the specifications. If damage is found or the goods fail to comply with the specifications, the item(s) shall be rejected as outlined below.

A. Rejection:

In order to protect the County's rights in the event of rejection, for whatever reason, the vendor shall be informed immediately. Reasons for the rejection must be documented in memo form and the using department shall notify the vendor of the reason(s) for the rejection.

B. Damaged Goods:

One of the major reasons for immediately inspecting the goods upon receipt is to detect any visible damage. When it is apparent that the extent of the damage causes the goods to be worthless, they will not be accepted. It is necessary that all damage including evidence of concealed damage shall be documented by memo and the using department shall notify the vendor of the damages.

C. Latent Defects:

Latent defects may be the result of damage in transit or failure of the manufacturer to conform to specifications. Consequently, it is often difficult to fix responsibility for the defective material. If specific liability for the defect cannot be determined between the carrier, the vendor, or the manufacturer, the County may file a claim against all parties. A memo attached to a photocopy of the purchase order must be forwarded to the Purchasing Manager so all parties involved can be properly informed.

XVII. VENDOR RELATIONS

Good vendor relations are valuable business assets established through mutual confidence and satisfactory business relationships between buyer and seller. An important contribution toward promoting and preserving these relations is a clear understanding of the method of contract between buyer and seller.

Should a department experience difficulty with or have a complaint with a particular vendor, document your concerns in a memo, and forward to the Purchasing Manager. Be

as specific as possible, detailing the circumstances, dates, personnel involved (including titles) and phone numbers. This information will be helpful in determining if the vendor shall remain on the vendor list.

Departments do not have the authorization to commit in writing, or verbally, future County business to vendors. If a department wishes to add a specific vendor or contractor to the bid list, the Purchasing Manager shall be contacted.

XIII. AFTER THE ORDER

The procurement function is not accomplished by simply placing an order with a supplier. Satisfactory delivery must also be made. To ensure delivery will be made when required, follow-up is necessary.

Follow-up or expediting delivery of an order is part of the procurement process and should be handled by the using department.

The Purchasing Manager shall on a regular basis review outstanding purchase orders to determine if vendors are delinquent in shipping the items requested. The Purchasing Manager shall contact the using department with concerns regarding delinquent deliveries.

The using department shall contact vendors concerning invoice discrepancies and shall have any discrepancies resolved before submitting to Accounts Payable for payment. The Finance Director shall approve or disapprove invoice amounts.

XIX. STATE OF EMERGENCY

In a County issued State of Emergency the County will follow N.C. General Statute thresholds and Federal Procurement guidelines (if applicable), for procurement until the State of Emergency has expired. The County Manager/designee will have authority to award bids and execute contracts up to and including \$100,000 during a County issued State of Emergency. Service contracts will be required for services at \$30,000.

The County Manager has authority to revise this policy and all exhibits for legislative updates, form revisions, and procedural revisions, with approval from the County Attorney effective June 19, 2018 approval by the Moore County Board of Commissioners.

REVISED this 17th day of June, 2021, effective July 1, 2021.


Frank R. Quis, Jr. Chairman
Board of Commissioners

XX. EXHIBITS

Exhibit A. Examples of Purchases Not Requiring a Purchase Order

Exhibit A

PURCHASES AND/OR SERVICES THAT DO NOT REQUIRE A PURCHASE REQUISITION FORM

This list is not all inclusive and could require a Request for Check form to be completed.

Advertising (legal ads, radio announcements, etc.)

Annual dues

Bank Fees

Claim payments

Courier Service

Damage Claim Payment

Insurance premiums

Land purchases

Legal Fees

Medical examinations

Memberships

Permits

Petty cash - replenishment of funds

Postage permits and expenses

Refunds

Register of Deed fees

Rental of buildings

Subscriptions

Tuition fees for educational purposes

Utilities

Finance Officer/Designee has authority to approve exemption up to \$1,000.